

Study Purpose & Need

The Economic Development Authority of Western Nevada ("EDAWN") commissioned RCG Economics ("RCG") to prepare an analysis whose main purpose was to investigate the issue of land scarcity in EDAWN's service area ("the Study Area"). RCG's scope of work focused on evaluating whether potential future short- and long-term developable land constraints will negatively affect the Study Area's economic resilience.

Recommendations & Major Findings

- Nevada's Congressional delegation should pursue changes to federal law, as the Truckee Meadows Public Lands Management Act aims to do, to expand Northern Nevada's public land disposal boundary.
- Northern Nevada developers, especially residential, will face challenges in finding desirable parcels to accommodate projects by 2027 if nothing is done to expand regional access to lands, or sooner if the BLM fails to release lands as needed.
- There are roughly 25,500 gross acres remaining of developable residential and nonresidential land (in parcels 20 acres or more) in the Study Area.
- Approximately 9,700 of those acres have an "above average" rating (see Section V or our report for a discussion of RCG's rating system).
- These 25,500 acres represent a fraction of the total acreage in the Region that is not vacant, not usable, too steep, etc. (see Figures IV-1 and IV-2 in RCG's report)
- To meet the needs of the expected residential and nonresidential growth by 2050, the region is projected to require approximately 24,300 developable acres.
- Based on the estimated 9,700 acres of more-desirable lands available, demand for those acres would exceed supply by 14,600 acres.
- Failing to ensure an adequate supply of developable land in the region could lead to a 15 - 24 percent reduction in the growth of the Study Area's gross regional product.
- The number of parcels to accommodate large-scale development in the near- and medium-terms is limited and will likely face supply constraints sooner than smaller parcels, especially since most of the larger parcels are 30 or more miles from Metro Reno-Sparks (see Figure IV-2 in our full report.)

Three Forecast Scenarios Developed (2021 - 2035)

- Base-Case (No land constraints)
- 3% cost disadvantage (due to land constraints)
- 5% cost disadvantage (due to land constraints)

Economic Output Impact

Base-case: Average yrly. growth rate: 2%—equal to \$17.5 billion ("B") over the Study Period ("SP"), reaching \$318.3B in 2035

3% cost disadvantage: Avg. yrly. Output growth rate: 0.8%—equal to \$12.3B of reduced Output in 2035, or 17% below the Base-case

5% cost disadvantage: Avg. yrly. Output growth rate: 0.0%—equal to \$19.3B of reduced Output in 2035, or 27% below the Base-case

Job Impact

Base-case: Avg. yrly. Job growth rate: 1.2%—equal to 56,000 additional jobs over the SP, reaching 365,000 jobs in 2035

3% cost disadvantage: Avg. yrly. Job growth rate: 0.2%—equal to 52,600 fewer jobs in 2035, or 14% below the Base-case

5% cost disadvantage: Avg. yrly. job growth **decline:** 0.4%—equal to 83,600 fewer jobs in 2035, or 23% below the Base-case

Earnings (Wages and Business Income) Impact

Base-case: Avg. yrly. Earnings growth rate: 2%—equal to \$5.9B over the SP, reaching \$24.6B in 2035

3% cost disadvantage: Avg. yrly. Earnings growth rate 1.0%—equal to \$3.5B of reduced Earnings in 2035, or 14% below the Base-case

5% cost disadvantage: Avg. yrly. Earning growth rate: 0.4%—equal to \$5.5B of reduced Earnings in 2035, or 22% below the Base-case

Gross Regional Product Impact

Base-case: Avg. yrly. GRP growth rate: 2.0%—equal to \$10.1B over the SP, reaching \$42B in 2035

3% cost disadvantage: Avg. yrly. GRP growth rate: 1.0%—equal to \$6.2B of reduced GRP in 2035, or 15% below the Base-case

5% cost disadvantage: Avg. yrly. GRP growth: rate: 0.3%—equal to \$9.8B of reduced GRP in 2035, or 24% below the Base-case

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